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## Korea, Republic of

### Product Brief

### Confectionery Market

### 2004

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**Report Highlights:**

Total imports of confectionery products reached \$167 million in 2003, up 11 percent from 2002. The United States was the largest supplier with a 24.5 percent market share, at \$40.9 million, up 11.5 percent from the previous year. Imports of confectionery products are expected to expand by about 10 percent annually over the next few years.

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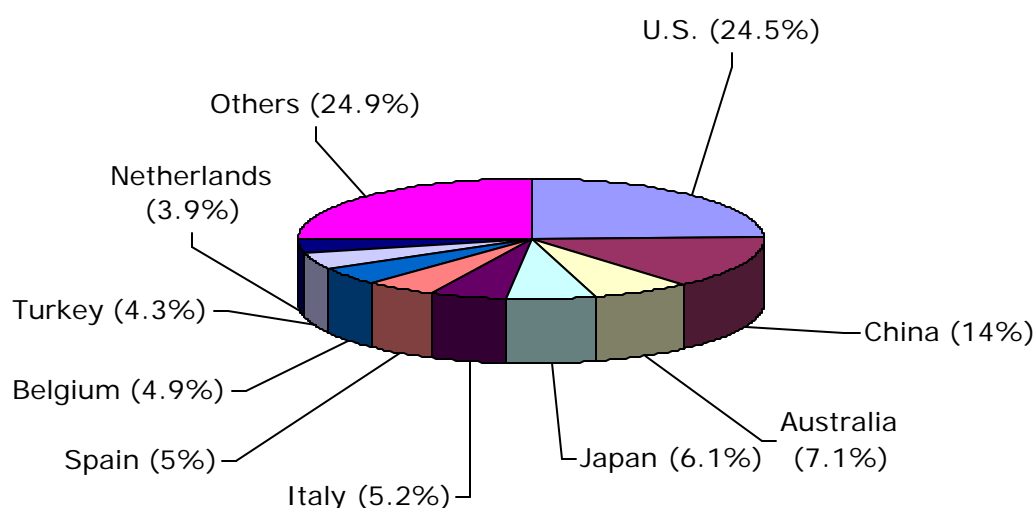
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## SECTION I. MARKET OVERVIEW

The gross sales of confectionery products in South Korea (Korea) were about \$1.8 billion in 2003, up four percent from 2002. The four major players accounted for over 60 percent of total sales. The confectionery industry is expected to grow 3-5 percent annually over the next few years.

Confectionery products are imported into Korea from many countries. The total imports of confectionery products amounted to \$167 million in 2003. The United States was the dominant origin in 2003 with a 24.5 percent market share and \$40.9 million in sales, followed by China (14 percent, \$23.4 million) and Australia (7.1 percent, \$11.8 million). Imports of confectionery products are expected to expand by about 10 percent in the foreseeable future. Korea also exports about \$100 million of confectionery products annually to other countries, including Japan, China and the U.S.

### Imports of Confectionery Products by Country



## SECTION II. MARKET SECTOR OPPORTUNITIES AND THREATS

### Advantages and Challenges for U.S. Confectionery Products

| Opportunities                                            | Challenges                                                               |
|----------------------------------------------------------|--------------------------------------------------------------------------|
| Relatively low customs duties for confectionery products | U.S. companies generally do not provide Korean language labels           |
| U.S. package designs are good                            | U.S. package sizes are generally too big                                 |
| U.S. has strong brand power and country image in Korea   | U.S. shelf life is not shown in calendar date but in code                |
| U.S. confectionery products are competitively priced     | U.S. companies are slow to reply and act on inquiries from Korean buyers |
| Diminishing resistance to imported foods                 | Food safety concerns                                                     |
| Young generation is becoming more Westernized            | Frequent changes in Korean food regulations                              |

## A. Entry Strategy

When considering the Korean market, exporters should conduct preliminary research to determine if the market is appropriate for the product. Lists of Korean importers, by product, can be obtained from the U.S. Agricultural Trade Office Seoul (ATO) or through the Foreign Agricultural Service in Washington, D.C. (See Section V.) The next step might include sending catalogues, brochures, product samples, and price lists to prospective importers as a way of introducing the exporting company and products.

Once contact is established, it is advisable to visit the importer(s) in person, which will increase the seller's credibility with the Korean importer and give an opportunity to see the Korean market first-hand. There is no substitute for face-to-face meetings. The supplier or exporter should bring product samples, company brochures and other relevant information, including price lists, shipping dates, available quantities, and any other information needed to negotiate a sales contract.

Another way of finding potential importers is to participate in local food shows to showcase products to a larger audience. Many Korean importers attending these shows are looking to establish reliable long-term trading relationships. Show participation enhances initial contacts with importers, agents, wholesalers, distributors, retailers and others in the Korean food industry.

The Food & Hotel Korea 2005 show, for example, is an excellent opportunity to explore possible market opportunities in Korea. The event will be held in Seoul at the COEX, March 16-18, 2005. This show is a **trade only** event and targets importers, wholesalers, distributors, retailers, hotels, restaurants, food processors, media, etc. It is currently the only U.S. Department of Agriculture (USDA)-supported food show in Korea.

U.S. companies should be sensitive to the uniqueness of the Korean market. An approach or a product that was successful in another market does not mean it will be applicable to Korea. It is necessary to renew the product, design, packaging and market approach in terms of the Korean situation, consumer requirements and tastes. A well-developed relationship with a Korean importer is an asset when determining how best market a product.

For exporters of high-value niche market products, the Mid-America International Agri-Trade Council (MIATCO) offers a Distributor Development Service (DDS), which provides a series of cost-effective services designed to assist U.S. suppliers with specific information on whether and how to approach the Korean market. MIATCO will also assist U.S. food companies in establishing and solidifying contacts in the Korean import, distribution, retail, food service, or food processing sectors through trade servicing and in-market assistance. For information on the MIATCO DDS, see contact information in Section V.

Finally, in the Korean market never take anything for granted. Be ready for the unexpected. Just because the first container cleared customs does not mean the second one will. Be open to new information, attentive, polite and patient.

## B. Local Business Customs

The following are some business tips U.S. company representatives should keep in mind when dealing with Korean buyers, prospective and established.

1. Obtaining Information: To obtain information from a Korean importer, it is best to ask directly and explain why information is important.
2. Relationships: Personal relationships are very important. Koreans like to maintain long-term relationships and are often very loyal. Developing a relationship with a potential Korean partner is vital to establishing your credibility. If a seller has already entered this market, the established contacts can help build trust with a new one.
3. Introductions: It is very helpful to have a formal introduction to the person or company with whom the seller wants to do business in Korea. Meeting the right person in a Korean company is almost always dependent on having the right introduction.
4. Evening Gatherings: The office may not be the best place to discuss business matters or propose new ideas, especially when dealing with the older generation. It is helpful to get together in the evening for a less formal, but no less important, meeting.
5. Name Cards and Address: The exchange of name cards is usually the first item of business. In Korea people seldom call others by their first names. Instead, they use surnames (such as Mr. Hong) or title and surname together (such as President Hong).
6. Meetings: Small talk is a good way to break the ice at the beginning of a meeting, and a short, orderly meeting, with an agenda provided in advance, will go along way towards the completion of a successful first encounter.
7. Dress: It is recommended to wear a conservative business suit and tie when meeting or visiting Korean importers for the first time. First impressions are important and Koreans tend to be very traditional.
8. Face-to-face Communications: One idiosyncrasy of the Korean language is that Koreans say "yes" when they might mean "no" or vice versa. For instance, in Korean, "Wouldn't you like to go home?" if answered with a "yes" means 'that's right, I would not like to go home'. To avoid confusion, reply with a full sentence, "yes, I would like to go home."
9. Surroundings: Pay close attention to what is going on. Watch Korean mannerisms: how they present and receive business cards, bow, shake hands, pour drinks (never pour your own nor let others pour their own – be it water or wine), etc. The ability of a U.S. company representative to incorporate some of those "little things" can go a long way to facilitating the establishment of a relationship, as it shows an interest that a Korean will notice immediately and appreciate.

### **C. Market Size, Structure and Trends**

#### **Market Size**

The total sales of confectionery products in Korea were about \$1.8 billion in 2003, up four percent from 2002. The local confectionery industry grew by about six percent annually over the past three years. The confectionery industry is expected to grow by 3-5 percent annually over the next few years.

Imported confectionery products amounted to \$167 million in 2003. Imports of confectionery products are expected to expand by about 10 percent annually in the foreseeable future.

## Sales of Korean Confectionery Products (US\$ Millions)

| Item        | 2000  | 2001  | 2002  | 2003  | Change '03/'02 |
|-------------|-------|-------|-------|-------|----------------|
| Chewing Gum | 154   | 215   | 286   | 283   | -1.0%          |
| Candies     | 138   | 139   | 156   | 155   | -0.6%          |
| Cookies     | 352   | 375   | 411   | 454   | 10.5%          |
| Chocolates  | 179   | 180   | 205   | 221   | 7.8%           |
| Choco Pie   | 116   | 123   | 137   | 139   | 1.5%           |
| Snacks      | 528   | 501   | 483   | 500   | 3.5%           |
| Others      | 51    | 49    | 51    | 47    | -7.8%          |
|             |       |       |       |       |                |
| Total       | 1,518 | 1,582 | 1,729 | 1,799 | 4.0%           |

Source: Korea Food Distribution Year Book 2004

## Imports of Confectionery Products (Calendar Year, US\$1,000)

| HS Code    | Description        | Total 2002     | Total 2003     | U.S. 2002     | U.S. 2003     | U.S. Change '03/'02 |
|------------|--------------------|----------------|----------------|---------------|---------------|---------------------|
| 1704100000 | Chew gum           | 3,811          | 4,678          | 630           | 1,245         | 97.6%               |
| 1704901000 | Liquorice extract  | 95             | 114            | 82            | 99            | 20.7%               |
| 1704902010 | Drops              | 6,990          | 6,669          | 682           | 503           | -26.2%              |
| 1704902020 | Caramels           | 1,803          | 1,610          | 14            | 38            | 171.4%              |
| 1704902090 | Other candies      | 25,243         | 29,018         | 3,168         | 4,421         | 39.6%               |
| 1704909000 | Other sugar conf   | 8,849          | 9,518          | 354           | 968           | 173.4%              |
|            | <b>SUB TOTAL</b>   | <b>46,791</b>  | <b>51,607</b>  | <b>4,930</b>  | <b>7,274</b>  | <b>47.5%</b>        |
| 1806201000 | Chocolate conf     | 13,522         | 14,727         | 7,093         | 7,158         | 0.9%                |
| 1806209010 | Cocoa preparation  | 17,727         | 13,012         | 2,386         | 961           | -59.7%              |
| 1806209090 | Other              | 1,758          | 2,278          | 851           | 1,270         | 49.2%               |
| 1806311000 | Filled choco conf  | 28,134         | 33,291         | 10,102        | 9,363         | -7.3%               |
| 1806319000 | Other filled       | 1,616          | 1,907          | 305           | 1             | -99.7%              |
| 1806321000 | Not filled choco   | 5,475          | 6,371          | 1,326         | 1,981         | 49.4%               |
| 1806329000 | Other              | 60             | 314            | 36            | 57            | 58.3%               |
| 1806901000 | Other choco conf   | 18,811         | 20,718         | 6,471         | 7,675         | 18.6%               |
|            | <b>SUB TOTAL</b>   | <b>87,103</b>  | <b>92,618</b>  | <b>28,570</b> | <b>28,466</b> | <b>-0.4%</b>        |
| 1905310000 | Sweet biscuits     | 2,589          | 4,460          | 0             | 0             | n/a                 |
| 1905320000 | Waffles and wafers | 646            | 894            | 36            | 307           | 752.8%              |
| 1905901040 | Biscuits/cookies   | 12,860         | 17,329         | 3,131         | 4,839         | 54.6%               |
|            | <b>SUB TOTAL</b>   | <b>16,095</b>  | <b>22,683</b>  | <b>3,167</b>  | <b>5,146</b>  | <b>62.5%</b>        |
|            |                    |                |                |               |               |                     |
|            | <b>GRAND TOTAL</b> | <b>149,989</b> | <b>166,909</b> | <b>36,667</b> | <b>40,886</b> | <b>11.5%</b>        |

Source: Korea Trade Information Service

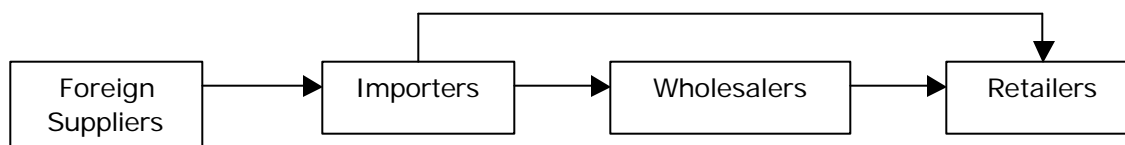
**Imports of Confectionery Products by Country: 2003 (US\$1,000)**

| Country      | Value          | Market Share |
|--------------|----------------|--------------|
| U.S.         | 40,886         | 24.5%        |
| China        | 23,444         | 14.0%        |
| Australia    | 11,815         | 7.1%         |
| Japan        | 10,142         | 6.1%         |
| Italy        | 8,761          | 5.2%         |
| Spain        | 8,425          | 5.0%         |
| Belgium      | 8,190          | 4.9%         |
| Turkey       | 7,099          | 4.3%         |
| Netherlands  | 6,577          | 3.9%         |
| Indonesia    | 5,130          | 3.1%         |
| Germany      | 4,270          | 2.6%         |
| France       | 4,256          | 2.5%         |
| Switzerland  | 3,367          | 2.0%         |
| New Zealand  | 3,124          | 1.9%         |
| Brazil       | 2,192          | 1.3%         |
| Others       | 19,231         | 11.5%        |
| <b>Total</b> | <b>166,909</b> | <b>100%</b>  |

Source: Korea Trade Information Service

**D. Distribution Channel**

Korean retailers rarely import food products directly, including confectionery products. Buying food products from importers and/or wholesalers is the norm. However, foreign retailers, such as Wal-mart and Carrefour, import a limited amount of food products directly from overseas suppliers.

**Sector trends**

There is a general preference for national brand products and/or products that have long been recognized in the market. Chocolates sell well during certain seasons. About 60 percent of chocolates sell during the Valentine Day season in February, about 10 percent each during the White Day season in March, Christmas season in December and university entrance examination season in November. About 70 percent of candies sell from October through March.

The long-term growth of the confectionery sector is forecast by local contacts to slacken over time. A key reason identified by local manufacturers is the falling birth rate and, thus, the anticipated reduction in the number of consumers' ages 10 to 19 years old. As a result, manufacturers can no longer rely on bright, colorful new product launches targeting children to maintain sales. There is a corresponding need, therefore, for manufacturers to become increasingly sophisticated with product development and marketing to target the emerging

consumer groups, such as working females, parents and those over 60.

*Imported brands are increasingly valuable*

Sales of imported confectionery items are persistently growing as a result of their brand recognition and vigorous promotional activities. In 2003, Snickers and Hershey's Kisses, for example, both grew very fast in both volume and value terms. Moreover, Halls and Polo products are expanding market share within the confectionery sector. As imported brands are aggressively penetrating the Korean confectionery market, product life cycles are shortening, leaving both domestic and international players to constantly reinvigorate established items and launch new products.

As imported brands successfully penetrate the market, the shares held by local players are shrinking and, as a result, competition particularly for chocolate sales, is becoming more severe. Local players – Lotte Confectionery, Haitai Confectionery, Tong Yang Confectionery and Crown Confectionery – hold about a 60 percent share of local sales (value). While there is expected to be little change in the major players in the foreseeable future, the increasing penetration of imported brands is a cause for concern for the local companies.

*Sugar-free, low carbs and functional added-value products*

Sugar-free, low carbs and functional products are expected to account for an increasing proportion of new confectionery products. Items fitting into the Korean “well-being” trend are supplanting traditional sugar-based confectionery goods. Young women, and many men, are increasingly anxious to keep slim, fit and healthy. Dieting is a big business in Korea and related sectors, such as low fat foods and health drinks, have increased significantly. Functional candies, such as throat candies, sell well. The success of sugar-free products with health-enhancing ingredients reflects prevailing consumption trends in Korea.

*Change of distribution*

The rise of hypermarkets makes it easier for imported brands to penetrate the Korean confectionery sector. Traditionally, international suppliers were hampered by an inability to create effective distribution networks to reach the large number of independent “mom and pop” stores that were important outlets for confectionery sales. However, it will be increasingly easy for foreign players to deal with supermarket/hypermarket and convenience store chains. With one central buying contract, per company, foreign suppliers will be better able to introduce, market and promote new products for nationwide distribution.

Retail sales of Confectionery Products by Distribution

| Distribution Type         | 1998   | 2003   |
|---------------------------|--------|--------|
| Supermarkets/hypermarkets | 53.7%  | 65.0%  |
| Independent food stores   | 23.1%  | 9.1%   |
| Convenience stores        | 7.6%   | 13.0%  |
| Confectionery shops       | 1.4%   | 1.5%   |
| Internet sales            | 0%     | 0%     |
| Others                    | 14.2%  | 11.4%  |
| Total                     | 100.0% | 100.0% |

Source: Euromonitor



## E. Company Profiles

### Local Confectionery Company Profiles

| Company<br>Product types                                                 | Sales<br>2003<br>(\$Million) | End-use<br>Channel | Plant<br>Location<br>(No. of<br>Plants)                         | Purchasing<br>Channels           | Contacts                                                |
|--------------------------------------------------------------------------|------------------------------|--------------------|-----------------------------------------------------------------|----------------------------------|---------------------------------------------------------|
| Lotte<br>Confectionery<br>(Confectionery,<br>chewing gum,<br>ice cream)  | 921                          | Retail             | Korea (4)<br>U.S. (1)<br>Vietnam (1)<br>Russia (1)<br>China (1) | Direct and<br>other<br>importers | P. 02-670-6114<br>F. 02-6672-6600<br>W. lotteconf.co.kr |
| Haitai<br>Confectionery<br>(Confectionery,<br>chewing gum,<br>ice cream) | 511                          | Retail             | Korea (2)<br>U.S. (1)                                           | Direct and<br>other<br>importers | P. 02-709-7766<br>F. 02-790-8123<br>W. ht.co.kr         |
| Orion<br>(confectionery,<br>chewing gum &<br>snacks)                     | 426                          | Retail             | Korea (3)<br>Japan (1)                                          | Direct and<br>other<br>importers | P. 02-710-6000<br>F. 02-719-2582<br>W. orion.co.kr      |
| Crown<br>Confectionery<br>(chocolates,<br>candies,<br>biscuits, wafers)  | 329                          | Retail             | Korea (2)                                                       | Direct and<br>other<br>importers | P. 02-3415-2854<br>F. 02-3415-2859<br>W. crown.co.kr    |

\*P stands for phone number, \*F for fax number and \*W for Website.

Note: Country code for Korea is 82. The "0" of the city code is dropped when calling from abroad.

## SECTION III. COSTS AND PRICES

### A. Tariff Rates

The tariff rates imposed on imported confectionery products are eight percent, generally very low compared with other products. There are no tariff rate quotas for confectionery products. In addition, a 10 percent-valued added tax (VAT) is imposed on the CIF value.

#### Tariff Rates for Confectionery Products

| HS Code    | Description                     | Tariff Rate |
|------------|---------------------------------|-------------|
| 1704100000 | Chewing gum                     | 8%          |
| 1704901000 | Liquorice extract               | 8%          |
| 1704902010 | Drops                           | 8%          |
| 1704902020 | Caramels                        | 8%          |
| 1704902090 | Other candies                   | 8%          |
| 1704909000 | Other sugar confectionery       | 8%          |
| 1806201000 | Chocolate confectionery         | 8%          |
| 1806209010 | Cocoa preparation               | 8%          |
| 1806209090 | Other                           | 8%          |
| 1806311000 | Filled chocolates confectionery | 8%          |

|            |                                       |    |
|------------|---------------------------------------|----|
| 1806319000 | Other filled chocolates confectionery | 8% |
| 1806321000 | Not filled chocolates confectionery   | 8% |
| 1806329000 | Other                                 | 8% |
| 1806901000 | Other chocolates confectionery        | 8% |
| 1905310000 | Sweet biscuits                        | 8% |
| 1905320000 | Waffles and wafers                    | 8% |
| 1905901040 | Biscuits/cookies/crackers             | 8% |

Source: Tariff Schedules of Korea

## B. Costs, charges and expenses from imports of confectionery

Example of one container of confectionery products from the West Coast of the U.S. to Busan

1. Freight charge from the West Coast to Busan, Korea: About \$800
2. Insurance: About \$50 per container of confectionery products
3. Customs duty: 8% imposed on the CIF value of the shipment
4. Value Added Tax: 10% imposed on (the CIF value plus Customs duty)
5. Other expenses and charges: about \$2,800
  - a. Inspection fees:
    - i) Detailed inspection fee: \$67-\$167 per item (different depending on the number of ingredients to be inspected)
    - ii) General inspection fee: \$25 per item
  - b. Customs Broker's fee: \$23-\$83 (Depending on the value of B/L)
  - c. Customs Agents fee: \$83
  - d. Port handling and service charges: \$167
  - e. Transportation to bonded warehouse: \$125
  - f. Devanning fee:
    - i) \$125 (palette)
    - ii) \$250 (individual boxes)
  - g. Warehouse fee: \$250 for an average of 10 days
  - h. Stickers fee (printing): \$125
  - i. Stickers fee (Labor work for attaching stickers) \$700
  - j. Loading fee on palette: \$125
  - k. Trucking charge from Busan to Seoul: \$420

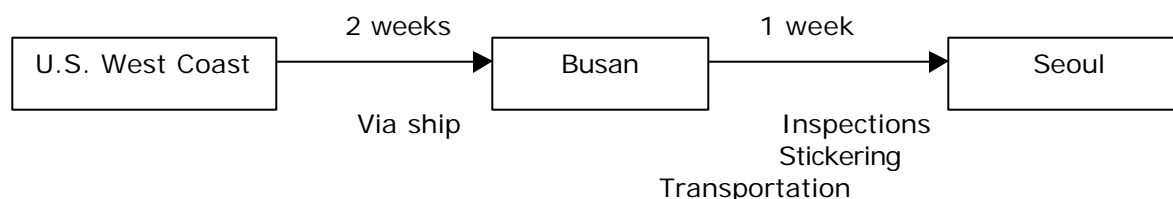
## C. Markups

1. Supermarkets/Department Stores
  - Importers markups to retailers: 20-30%
  - Retailer's markups: 25-30%
2. Discount Stores/Hypermarkets
  - Importers markups to retailers: 30%
  - Retailer's markup: 20%
  - \*Importers additionally pay about 15 percent of their supplying prices to these retailers as sales encouragement fund.
3. Convenience stores
  - Importers markups to retailers: 30%
  - Retailer's markups: 35-38%

\*Importers additionally pay about 12 percent of their supplying prices to these retailers as distribution cost fee.

\*When wholesalers get involved, their markups are about 15-30%.

#### D. Transportation



### SECTION IV. MARKET ACCESS

#### Food Standards and Regulations

Food standards and regulations are subject to frequent change. U.S. exporters need to ensure that all necessary customs clearance requirements have been verified with local authorities, through their Korean importer, before the sale conditions are finalized. Final import approval of any product is always subject to the standards and regulations as interpreted by the Korean official at the time of product entry.

The Korea Customs Service (KCS), the Korean Food and Drug Administration (KFDA) and the National Quarantine Office (for ports that do not have KFDA regional offices) are the agencies involved in the import clearance process for confectionery products. Imports of confectionery products must receive clearance from KFDA. KCS is responsible for ensuring all necessary documentation is in place before the product is released from the bonded area.

There are many food standards and regulations. This section describes only the basic guidelines of Korean import requirements. For details on Korean import regulation, see the Food and Agricultural Import Regulations and Standards (FAIRS) Reports (KS4039), dated July 30, 2004, available on the USDA/Foreign Agricultural Service (FAS) website at "<http://www.fas.usda.gov/scripts/attacherep/default.asp>".

#### Korea Food & Drug Administration (KFDA) Import Procedures

1. The importer or the importer's representative submits the "Import Declaration for Food and other required documents"
2. The type of inspection to be conducted is determined in accordance with the guidelines for inspection of imported food products. The types of inspection for a given food product include: Document Inspection, Visible Inspection, Laboratory Inspection, and Random Sampling Examination.
3. If a product is subject to visible inspection, laboratory inspection and/or random sampling, the KFDA inspector will conduct a field examination and take samples for the laboratory test.
4. KFDA conducts the conformity assessment from the information collected, using such items as test results, document inspection results, etc.

5. If a product complies with the Korean standards, KFDA issues a certificate for import. The importer can then clear the product with the KFDA import certificate.

6. If a product does not comply with the Korean standards, KFDA will notify the applicant and the regional customs office on the nature of the violation. The importer decides whether to destroy or return shipments to the exporting country or use it for inedible purposes. If the violation can be corrected, as with labels, the importer can reapply for the inspection after making the corrections.

\*Processed food products are required to have tests conducted every three years provided the same company same product rule is followed.

### **Labeling Requirements**

Labeling requirements change frequently and importers must keep abreast of changing regulations. The Food Safety Division, KFDA, is responsible for establishing the labeling standards for food products. KFDA regional offices enforce the labeling standards. Provincial government health officials also have the authority to enforce the labeling standards.

All imported food products are required to be labeled with the necessary information in the Korean language. Korean language stickers may be used instead of manufacturer-printed Korean language labels for confectionery products at the port of entry.

The sticker should not be easily removable and should not cover the original labeling. For functional food items, however, stickers are not permitted. Manufacturer-printed Korean language labels must be used on such products.

### **Labels should have the following inscriptions printed in letters large enough to be readily legible:**

1. Product Name: The product name should be identical to the product name declared to the licensing/inspection authority.
2. Product type: This is mandatory for specially designated products, such as teas, health supplementary foods, etc.
3. Importer's name and address, and the address where products may be returned or exchanged in the event of defects.
4. Manufactured date (month and year): This is mandatory for specially designated products, such as lunch box, sugar, liquor, and salts. For liquors, a manufacture number (lot number) or bottling date can substitute for the manufactured date.
5. Shelf life: Food products should identify the manufacturer-determined shelf life. If various kinds of products are packaged together, the shelf life expiration date of the product with the shortest life should be noted on the label.
6. Contents: Weight, volume or number of pieces. If the number of pieces is shown, the weight or volume must be indicated in parentheses.
7. Ingredient(s) or raw material(s) and a percent content of the ingredient(s): The name of the major ingredient must be included on the label as well as the names of at least the next four principle ingredients. These should be listed with the highest percentage ingredient first, followed in descending order by the others. Artificially added purified water does not

count as one of the five major ingredients. Some food additives required by the Labeling Standards for Food et al. need to be indicated on the label. Besides the top five ingredients and food additives, an indication of food items known to be food allergens is mandatory. Food items considered as food allergens include eggs, milk, buckwheat, peanuts, soybeans, wheat, mackerel, crab, pork, peaches and tomatoes. Any food product containing one or more of the above 11 items, as a raw ingredient (ingredients), must indicate the name (names) on the Korean language label.

8. Nutrients: Only special nutritional foods, health supplementary foods, bread and bread loaf, noodles (cooked noodle, fried noodle, gelatinized dry noodle, and improved cooked noodle), retort foods, products for which nutritional labels are sought, and products for which a nutrient emphasis mark is desired are subject to nutritional labeling.

9. Country of origin

10. Other items designated by the detailed labeling standards for food et al.: This includes cautions and standards for use or preservation (e.g., drained weight for canned products, radiation-processed products, etc.).

### **Food Additive Code (Administered by KFDA)**

The "Food Additive Code" guides the use of all additives in foods in Korea. As of July 2004, Korea had a positive list of 615 approved food additives. Food additives are grouped into three categories: (a) chemical synthetics, (b) natural additives, and (c) mixture substances. Most additives and/or preservatives are approved and tolerance levels are established on a product-by-product basis in Korea. This creates difficulties as tolerances can vary from product to product. Getting a new additive added to the approved list can be time consuming and troublesome. Even though there may be an established CODEX standard for a given food additive, if that food additive is not registered in the Korean Food Additive Code, or even if registered but usage in a certain food product is not specified, use of that food additive in the given food product is prohibited. This means that only food additives registered in the Korean Food Additive Code are allowed for use in food products, in accordance with the usage standards specified in the Food Additive Code.

The office responsible for approving food additives in KFDA is as follows:

#### **Food Additives Evaluation Department**

Korea Food & Drug Administration  
# 5 Nokbeon-dong, Eunpyung-ku  
Seoul, Korea 122-704  
Phone: 82-2-380-1687; Fax: 82-2-382-4892

## **SECTION V. KEY CONTACTS AND FURTHER INFORMATION**

### **KEY FAS/USDA CONTACTS AND FURTHER INFORMATION**

**For further information about the Korean agricultural market, please contact:**

#### **U.S. Agricultural Trade Office**

Korean Address: Room 303, Leema Building  
146-1, Susong-dong, Chongro-ku, Seoul, Korea  
U.S. Mailing Address: US Embassy Seoul, Unit 15550-ATO, APO, AP 96205-5550  
Telephone: 82-2 397-4188 Fax: 82-2 720-7921

E-mail: [atoseoul@usda.gov](mailto:atoseoul@usda.gov)  
Website: [www.atoseoul.com](http://www.atoseoul.com)

**Agricultural Affairs Office**

Korean Address: U.S. Embassy, 82, Sejong-ro, Chongro-ku, Seoul, Korea  
U.S. Mailing Address: US Embassy Seoul, Unit 15550-AgAff, APO, AP 96205-5550  
Telephone: 82-2 397-4297 Fax: 82-2 738-7147  
E-mail: [agseoul@usda.gov](mailto:agseoul@usda.gov)

**For more information on how you can register for USDA/FAS' Supplier List:**

The United States Department of Agriculture's Foreign Agricultural Service (USDA/FAS) offers information and services that can be beneficial to both new and experienced exporters. For example, the U.S. Suppliers Service is a searchable database of over 5,000 U.S. exporters and their products, which is used by USDA/FAS to help facilitate connecting potential buyers with U.S. suppliers. This database is used by more than 85 USDA FAS Overseas offices to help export agents, trading companies, importers and foreign market buyers locate U.S. suppliers. It is also used to recruit U.S. exporters to participate in market development activities sponsored by USDA and federal export programs.

You can register online for this service at  
**<http://www.fas.usda.gov/agexport/exporter.html>**

AgConnections Team  
AgExport Services Division, Foreign Agricultural Service, Washington, D.C.  
Telephone: 202-690-4172 Fax: 202-205-2963  
E-mail: [joyce.estep@usda.gov](mailto:joyce.estep@usda.gov)  
Website: [www.fas.usda.gov/agx/agx.html](http://www.fas.usda.gov/agx/agx.html)

**For further information about sanitary and phytosanitary requirements, please contact:****U.S. Animal Plant and Health Inspection Service (APHIS)**

Korean Address: Room 303, Leema Building  
146-1, Susong-dong, Chongro-ku, Seoul, Korea  
U.S. Mailing Address: US Embassy Seoul, Unit 15550-APHIS, APO, AP 96205-5550  
Telephone: 82-2 725-5495 Fax: 82-2 725-5496  
E-mail: [aphis@kornet.net](mailto:aphis@kornet.net)  
Website: [www.aphis.usda.gov](http://www.aphis.usda.gov)

**For information about activities by Strategic Trade Regional Groups, please contact:****Mid-America International Agri-Trade Council (MIATCO)**

400 West Erie Street, Suite 100, Chicago, Illinois 60610  
Telephone: 312-944-3030 Fax: 312 944-1144  
E-mail: [eriggs@miatco.org](mailto:eriggs@miatco.org)  
Website: [www.miatco.org](http://www.miatco.org)

**Western United States Agricultural Trade Association (WUSATA)**

2500 Main Street, Suite 110, Vancouver, WA 98660-2697, USA

Telephone: 360-693-3373      Fax: 360-693-3464  
E-mail: [bruce@wusata.org](mailto:bruce@wusata.org)  
Website: [www.wusata.org](http://www.wusata.org)

**Food Export USA - Northeast Region of the United States**

150 S. Independence Mall West, 1036 Public Ledger Building, Philadelphia, PA 19106, USA  
Telephone: 215-829-9111      Fax: 215-829-9777  
E-mail: [jcanono@foodexportusa.org](mailto:jcanono@foodexportusa.org)  
Website: [www.foodexportusa.org](http://www.foodexportusa.org)

**Southern United States Agricultural Trade Association (SUSTA)**

2 Canal Street Suite 2515, New Orleans, LA 70130, USA  
Telephone: 504-568-5986      Fax: 504-568-6010  
E-mail: [jim@susta.org](mailto:jim@susta.org)  
Website: [www.susta.org](http://www.susta.org)

**For information on the commercial and industrial products in Korea, please contact:**

**U.S. Commercial Service**

Korean Address: U.S. Embassy, 82, Sejong-ro, Chongro-ku, Seoul, Korea  
U.S. Mailing Address: US Embassy Seoul, Unit 15550-USCS, APO, AP 96205-5550  
Telephone: 82-2 397-4535      Fax: 82-2 739-1628  
E-mail: [Seoul.office.box@mail.doc.gov](mailto:Seoul.office.box@mail.doc.gov)      Homepage: [www.buyusa.gov/korea](http://www.buyusa.gov/korea)